

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

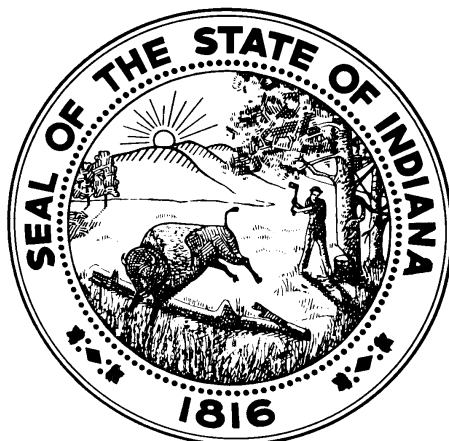
EXAMINATION REPORT

OF

EAGLE TOWNSHIP

BOONE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

03/04/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Judith A. Essex	01-01-03 to 12-31-10
Chairman of the Township Board	Tom Yeo Robert Schein	01-01-06 to 09-12-06 09-13-06 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF EAGLE TOWNSHIP, BOONE COUNTY, INDIANA

We have examined the financial information presented herein of Eagle Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

January 13, 2009

EAGLE TOWNSHIP, BOONE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 86,078	\$ 189,762	\$ 46,428	\$ 229,412
Dog	3,540	1,328	3,240	1,628
Township Assistance	10,810	6,593	9,531	7,872
Firefighting	405,918	315,746	721,664	-
Park and Recreation	9,635	17,440	12,012	15,063
Special COIT	55,927	55,927	55,927	55,927
Levy Excess	6,068	-	5,960	108
Fire Equipment Debt	94,344	7,216	77,618	23,942
Cumulative Fire	430,811	304,165	203,011	531,965
Fiduciary Fund:				
Payroll Withholdings	1,627	3,117	3,547	1,197
Totals	<u>\$ 1,104,758</u>	<u>\$ 901,294</u>	<u>\$ 1,138,938</u>	<u>\$ 867,114</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 229,412	\$ 234,666	\$ 199,192	\$ 264,886
Dog	1,628	-	1,628	-
Township Assistance	7,872	10,440	11,295	7,017
Park and Recreation	15,063	19,495	5,100	29,458
Special COIT	55,927	24,687	-	80,614
Levy Excess	108	-	-	108
Fire Equipment Debt	23,942	80,000	71,577	32,365
Cumulative Fire	531,965	-	531,965	-
Fiduciary Fund:				
Payroll Withholdings	1,197	3,402	3,031	1,568
Totals	<u>\$ 867,114</u>	<u>\$ 372,690</u>	<u>\$ 823,788</u>	<u>\$ 416,016</u>

The accompanying notes are an integral part of the financial information.

EAGLE TOWNSHIP, BOONE COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

EAGLE TOWNSHIP, BOONE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases (Mortgage Bonds):		
Fire Station	\$ 90,243	\$ 92,430
	<u>-</u>	<u>-</u>
Total governmental activities debt	<u>\$ 90,243</u>	<u>\$ 92,430</u>

EAGLE TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, bills, and invoices. The situation was not noted as a problem during 2006; however, 28% of the disbursements in 2007 were not supported by the proper documentation. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Records presented for examination indicate payments were made to vendors for, cemetery restoration, tree removal, payroll services, and senior citizen services in 2006 and 2007 without a contract. Invoices were available to support the contractual payments; however, the invoices were not fully itemized to show how services were billed, i.e., hours worked at an established rate per hour for a total due.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

Records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Park and Recreation	2006	\$ 2,011.77
Township	2007	144,091.90
Fire Equipment Debt	2007	71,577.25
Cumulative Fire	2007	371,964.54

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$25.27 were paid to the Indiana Department of Revenue (IDOR) on December 4, 2006, for late filing of taxes due for the period ending September 30, 2006. Additionally, the 2006 W-2s were filed late and the Township was assessed a late fee of \$10 per W-2 by the IDOR. There were six W-2s for a total of \$60 assessed and paid on May 19, 2007.

EAGLE TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

Deficiencies relating to the recordkeeping were noted, as follows: The ledgers contained a considerable number of posting errors. The errors included negative receipt and disbursement postings, postings made and not carried forward to the Annual Report, postings made to the Annual Report that were not included in the ledgers, postings made to one fund and reported on the Annual Report as a different fund, and duplicate postings.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORM

The following prescribed form was not in use:

Township Form 16-1997, Township Trustee's Receipt

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OFFICIAL BOND

An official bond was not filed in the Office of the County Recorder for the period 2007 for the following:

Judith Essex, Trustee

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

EAGLE TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer for 2006 or 2007.

IC 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

EAGLE TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2009, with Judith A. Essex, Trustee.